PANNONIAN ENERGY, INC. 14 INVERNESS DRIVE EAST, SUITE H-236 ENGLEWOOD, CO 80112

November 19, 2002

Utah Division of Oil, Gas, & Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, UT 84114-5801

> RE: APPLICATION FOR PERMIT TO DRILL FEDERAL 21-6-10-19 NE/NW, SEC. 6, T10S, R19E UINTAH COUNTY, UTAH LEASE NO.: UTU-76490 FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,

Ed Trotter

Agent

PANNONIAN ENERGY, INC.

Attachments

RECEIVED

DEC 0 2 2002

DIVISION OF OIL, GAS AND MINING

Form 3 60-3 (August 1999)

FORM APPROVED OMB NO. 1004-0136

UNITED STATES DEPARTMENT OF THE INTERIOR

5. Lease serial No.

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11		-

BUREAU OF LAND	MANAGEMENT		
1	UTU-76490		
APPLICATION FOR PERMIT	6. If Indian, Allottee or Tribe nat	ne	
1a. TYPE OF WORK 🗵 DRILL 🗆	REENTER		
		7. If Unit or CA Agreement, Nan	ne and No.
b. TYPE OF WELL Oil Well Gas Well O	ther Single Zone Multiple Zo	one	
2. Name of Operator		8. Lease Name and Well No.	
GASCO ENERGY, INC. dba PANNO	NIAN ENERGY	FEDERAL 21-6-10	1-19
3a. Address		9. API Well No.	
14 INVERNESS DRIVE EAST, ENGL	EWOOD, CO 80112	43-047-34	1813
3b.Telephone Number: (303)483-0044		10. Field and pool, or Explorato	ry Natural But
4. Location of Well (Report location clearly and in accordance At surface #4258222 571' FNL & 2056' FWL 600324 × At proposed prod. Zone	11. Sec., T., R., M., or BLK. And SEC. 6, T10S, R19		
 Distance in miles and direction from nearest town or post of 26.3 MILES SOUTHEAST OF MYTO 	12. County or parish UINTAH	13. State UTAH	
15. Distance from proposed	16. No. of acres in lease	17. Spacing Unit dedicated to this	well
location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any)		40	
18. Distance from proposed location*	19. Proposed depth	20. BLM/BIA Bond No. on file	
to nearest well, drilling, completed, or applied for, on this lease, ft. See Map C 12,500'		Suretv Bond #4127775	59. BLM 1223
21. Elevations (show whether DF, KDB, RT, GL, etc.	22. Approx. date work will start*	23. Estimated duration	
4885.4' FEET GRADED GROUND	UPON APPROVAL	35 Drilling Days &	
		20 Completion Days	S
	24. Attachments		

- A Drilling Plan
 A Surface Use Plan (if the location is on National Forest System lands, the SUPO shall be filed with the appropriate Forest Service Office.

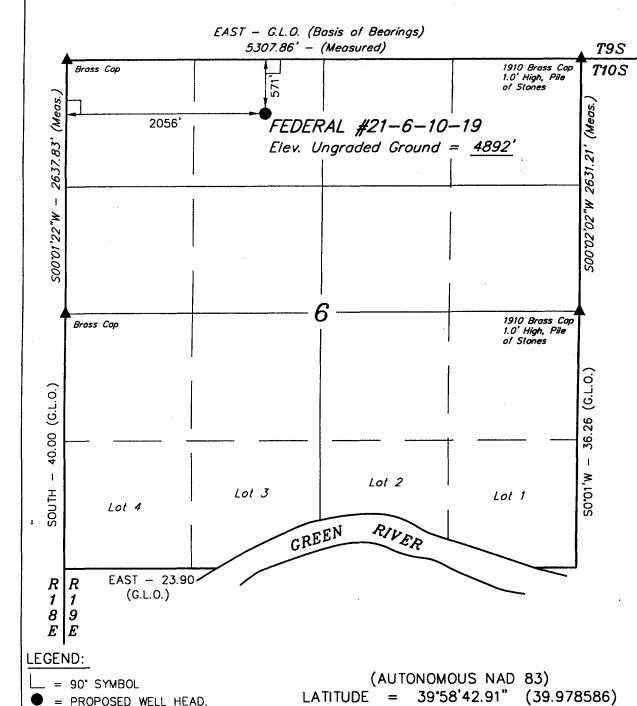
 (see item 20 above).

 Operator certification.
 Such other site specific information and/or plans as may be required by the

	Authorized officer.	
25. Signature Add with	Nata (Printed/ Typed) Ed Trotter	Date 11-19-2002
Title Agent	d P. Horses & P.	
Approved by (Signature)	Name (Printed/Typed)	Paro E C E I V E
Malley All	BRADLEY G. HILL	12-09-02-1111
Title	ENVIRONMENTAL SCIENTIST III	DEC - 2 2002
Application approval does not warrant or certify that the	applicant holds legal or equitable title to those rights in t	he subject lease which would entitle the applicant to
conduct operations thereon. Conditions of approval, if any, are attached.		DIV OF OIL, GAS & MINING

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T10S, R19E, S.L.B.&M.



= SECTION CORNERS LOCATED.

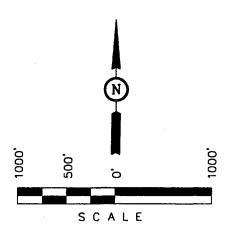
LONGITUDE = $109^49'30.82''$ (109.825228)

PANNONIAN ENERGY, INC.

Well location, FEDERAL #21-6-10-19, located as shown in the NE 1/4 NW 1/4 of Section 6, T10S, R19E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHWEST CORNER OF SECTION 6, T10S, R19E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5011 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLATTWAS GREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OF MADER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

REGISTERED LAND SURVEYOR

REVISED: 10-16-02 D.COX STATE OF UTAH

UINTAH ENGINEERING & LAND, SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017

DATE SURVEYED: DATE DRAWN: 5-31-01 6-7-01		
REFERENCES G.L.O. PLAT		
FILE		
	5-31-01 REFERENCES G.L.O. PLA	

EIGHT POINT PLAN

FEDERAL 21-6-10-19 NE/NW, SEC. 6, T10S, R19E, S.L.B.&M. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Uintah Green River Wasatch Mesa Verde	Surface 1422 4972 8320	Gas/Oil Gas Gas	CONFIDENTIAL

EST. TD:

12,500

Anticipated BHP 6825 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

HOLE SIZE	INTERVAL	LENGTH	SIZE	WEIGHT	GRADE	THREAD
17 1/2"	0' - 220'	200' - 220'	13 3/8	48 #/ft	H-40	N/A
11"	0' - 4650'	0-4650'	8 5/8	32#/ft	J-55	ST&C
7 7/8	0' - TD	0 - TD	4 1/2	13.5 #/ft	P-110	LT&C

If conductor drive pipe is used, it will be left in place if its total length is less than 20 feet below the surface. If the total length of the drive pipe is equal to or greater than 20 feet, it will be pulled prior to cementing surface casing, or it will be cemented in place. The minimum diameter of the conductor drive pipe will be 13 3/8".

All casing will be new or inspected.

5. MUD PROGRAM

Interval	Type	Weight (ppg)	Viscosity	рH	Water Loss	Remarks
0' - 400'	Spud	8.4 – 9.0	30-45+	8.0	NC	Gel & Lime as required
400' – Top of Wasatch	Wtr/gel	8.4 - 8.8	27-35	8.5-9.0	NC	Min. Wt.
Top of Wasatch-TD	DAP mud	8.5-11.2 3	5-45	9.0-11.0	10-15cc	*Min Wt. To control
					@TD	formation pressure

NC = no control

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

EIGHT POINT PLAN

FEDERAL 21-6-10-19 NE/NW, SEC. 6, T10S, R19E, S.L.B.&M. UINTAH COUNTY, UTAH

CONFIDENTIAL

6. CEMENTING PROGRAM

Conductor String: Cement will be circulated to surface. Estimated volume (100% over theoretical value) 260 sxs Class "G", 3% CaCl2 w/0.25 #/sx Flocele @15.6 ppg, 1.19 ft3/sx.

Surface String: Cement will be circulated to surface. Estimated volume (35% over theoretical value):

Lead: 560 sxs of Hi-Fill cement mixed at 11ppg, yield = 3.83 ft3/sk, followed by 200

sxs of premium cement mixed at 15.8 ppg, yield = 1.16, with 2% CaCl.

Tail: 210 sx Class "G" 2% CaCl2 @ 14.3 ppg, 1.24 ft3/sx.

Production String: Estimated volume (gauge hole + 15%):

Lead: 450 sx Hifill @ 11.0 ppg, 3.84 ft3/sx.

Tail: 1790 sx 50/50 POZ @ 14.35 ppg, 1.26 ft3/sx.

7. VARIANCE REQUESTS:

A. Gasco Energy, Inc. dba Pannonian Energy requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).

- B. Gasco Energy, Inc. dba Pannonian Energy requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).
- C. Gasco Energy, Inc. dba Pannonian Energy requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

8. EVALUATION PROGRAM:

Logs: DLLT/GR:

SDL/DSN/GR/CAL:

MRIL:

T.D. to base of surface casing

T.D. to 300' above Green River

T.D. to 100' above Wasatch

(at operator's discretion)

Cores: None Programmed DST: None Programmed

9. ABNORMAL CONDITIONS:

None anticipated.

EIGHT POINT PLAN

FEDERAL 21-6-10-19 NE/NW, SEC. 6, T10S, R19E, S.L.B.&M. UINTAH COUNTY, UTAH

10. STANDARD REQUIRED EQUIPMENT:

CONFIDENTIAL

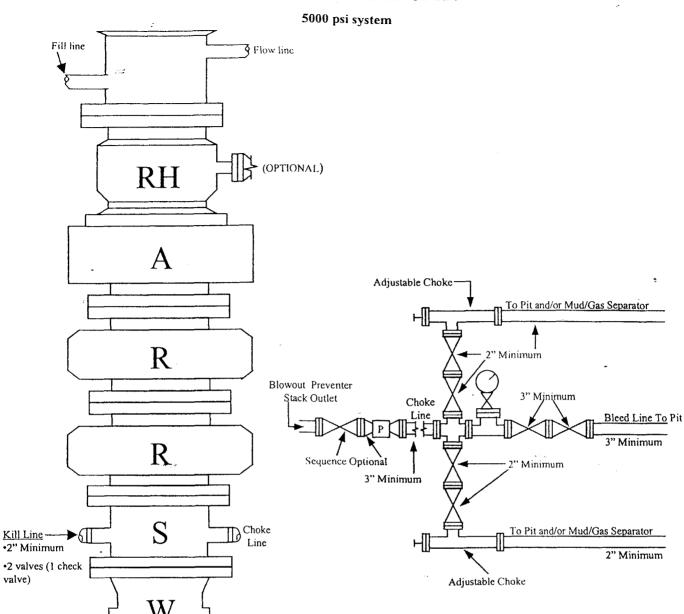
- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

11. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

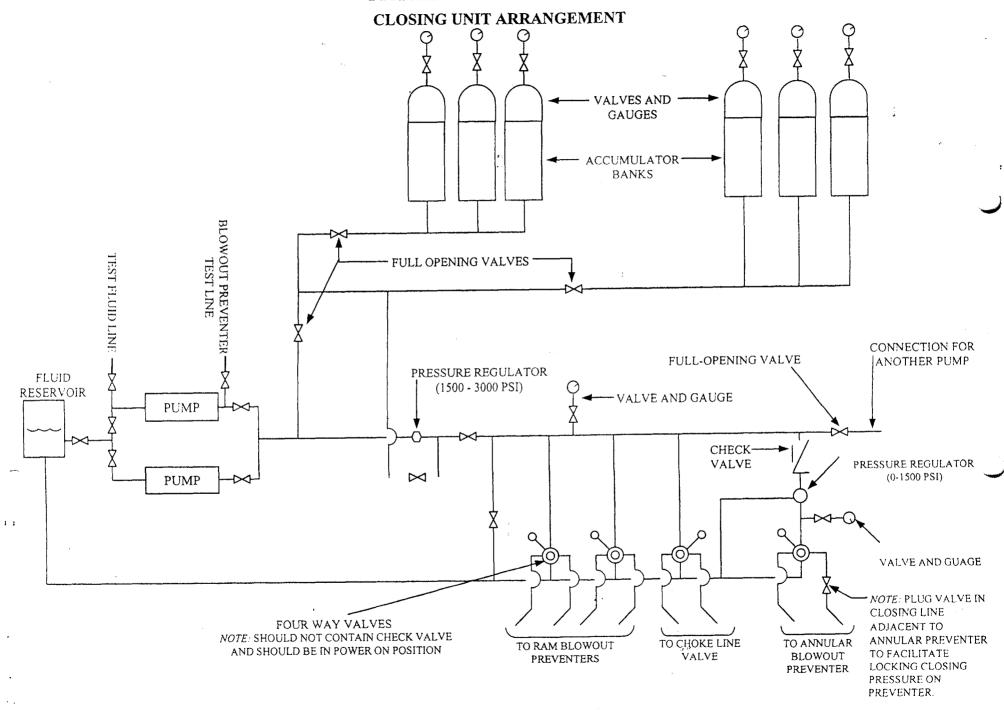
DOUBLE RAM TYPE PREVENTERS WITH AN OPTIONAL ROTATING HEAD



* Note: Kill line shall be 2" minimum diameter and have two valves, one of which shall be a check valve. Both valves: 2" minimum.

Minimum BOP Stack	5000 psi Working Pressure
One Pipe Ram	5000 psi Working Pressure
One Blind Ram	5000 psi Working Pressure
One Annular	5000 psi Working Pressure
Well Head	5000 psi Working Pressure
Manifold	5000 psi Working Pressure

TYPICAL BLOWOUT PREVENTER



CONDITIONS OF APPROVAL FOR THE SURFACE USE PROGRAM OF THE APPLICATION FOR PERMIT TO DRILL

Company/Operator:

Gasco Energy, Inc. dba Pannonian Energy

Well Name & Number: Federal 21-6-10-19

Lease Number:

UTU-76490

Location:

571' FNL & 2056' FWL, NE/NW, Sec. 6,

T10S, R19E, S.L.B.&M., Uintah County, Utah

Surface Ownership:

Federal

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction

of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice:

- at least twenty-four (24) hours prior to

spudding the well.

Casing String and

Cementing

- twenty-four (24) hours prior to running

casing and cementing all casing strings.

BOP and related

Equipment Tests

- twenty-four (24) hours prior to running

casing and tests.

First Production

Notice

- within five (5) business days after new

Well begins or production resumes after Well has been off production for more

than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 26.3 miles southeast of Myton, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 0.9 miles in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. One 36" culvert and one 24" culvert will be placed under the access road to facilitate drainage.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, Gasco Energy, Inc. dba Pannonian Energy shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. <u>LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION</u>

- A. Shut in wells 1*
- B. Injection wells None

 (*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical or 200 Bbl low profile, condensate tank, and attaching piping.
- 2. Gas gathering lines A 3" gathering line will be buried from dehy to the edge of the location.

B. OFF WELL PAD

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. A 3" OD steel above ground natural gas pipeline will be laid approximately 4700' from proposed location to a point in the SE/SE of Section 36, T9S, R18E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of -Way grant will be required.
- 3. Proposed pipeline will be a 3" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the Northeast side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee.

All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Carlsbad Canyon (Munsell standard color 2.5y 6/2).

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from the Dalbo Ouray Water Facility located in Section 32-T4S, R3E, Water Use Claim #43-8496, Application #53617. No water supply well will be drilled.
- B. Water will be transported to location via truck by an approved commercial water hauler over the access roads shown on Topo Maps A and B. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings and drilling fluids will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at an approved sewage disposal facility.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a self-contained, portable dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be transported to a state approved waste disposal site. No trash will be placed in the reserve pit.
- 4. Produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, an application for approval of a

- permanent disposal method and location will be submitted for the Authorized Officer's approval.
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined.

8. ANCILLARY FACILITIES

A. No airstrips or camps are planned for this well.

9. WELLSITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.
- D. The approved seed mixture for this location is:
 - 4 pounds Shad Scale per acre
 - 4 pounds Gardiner Salt Bush per acre
 - 2 pounds Galleta Grass per acre

5

2 pounds Indian Rice Grass per acre.

The reserve pit will be located on the East side of the location. The flare pit will be located downwind of the prevailing wind direction on the side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil South of Corner B. The stockpiled location topsoil will be stored on the West side around Corner #6. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the West.

N/A Diversion ditch(es) shall be constructed on the
side of the location (above/below) the cut slope, draining to the
N/A Soil compacted earthen berm(s) shall be placed on the
side(s) of the location between the
N/A The drainage(s) shall be diverted around the sides of the well pad
location.
N/A The reserve pit and/or pad locations shall be constructed long and
narrow for topographic reasons .
X Corner #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. **PRODUCING LOCATION**

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. <u>DRY HOLE/ABANDONED LOCATION</u>

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal Location: Federal

12. OTHER INFORMATION

- A. Gasco Energy, Inc. dba Pannonian Energy will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

 -whether the materials appear eligible for the National Register of Historic
 - -whether the materials appear eligible for the National Register of Historic Places;
 - -the mitigation measures the operator will likely have to undertake before the site can be used.
 - -a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, Gasco Energy, Inc. dba Pannonian Energy will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT

Ed Trotter P.O. Box 1910 Vernal, UT 84078

Telephone: (435)789-4120

Fax: (435)789-1420

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Gasco Energy, Inc. dba Pannonian Energy is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Gasco Energy, Inc. dba Pannonian Energy and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Date

PANNONIAN ENERGY, INC.

FEDERAL #21-6-10-19 LOCATED IN UINTAH COUNTY, UTAH SECTION 6, T10S, R19E, S.L.B.&M.

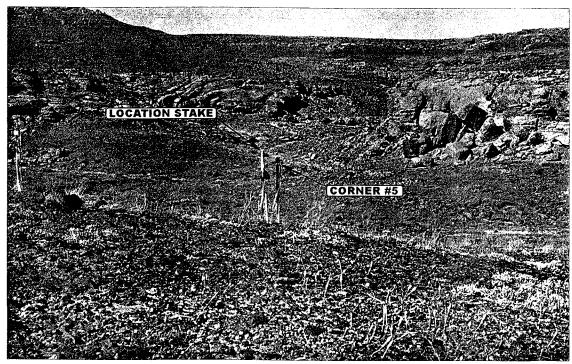


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

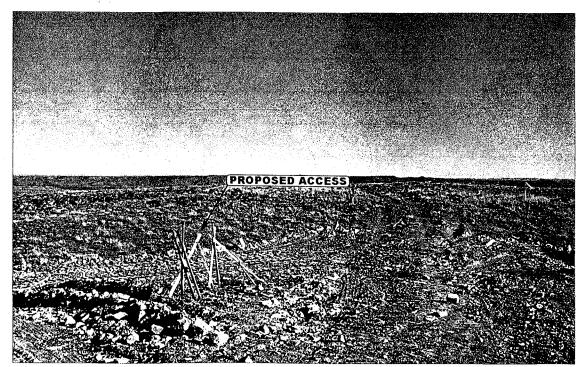


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

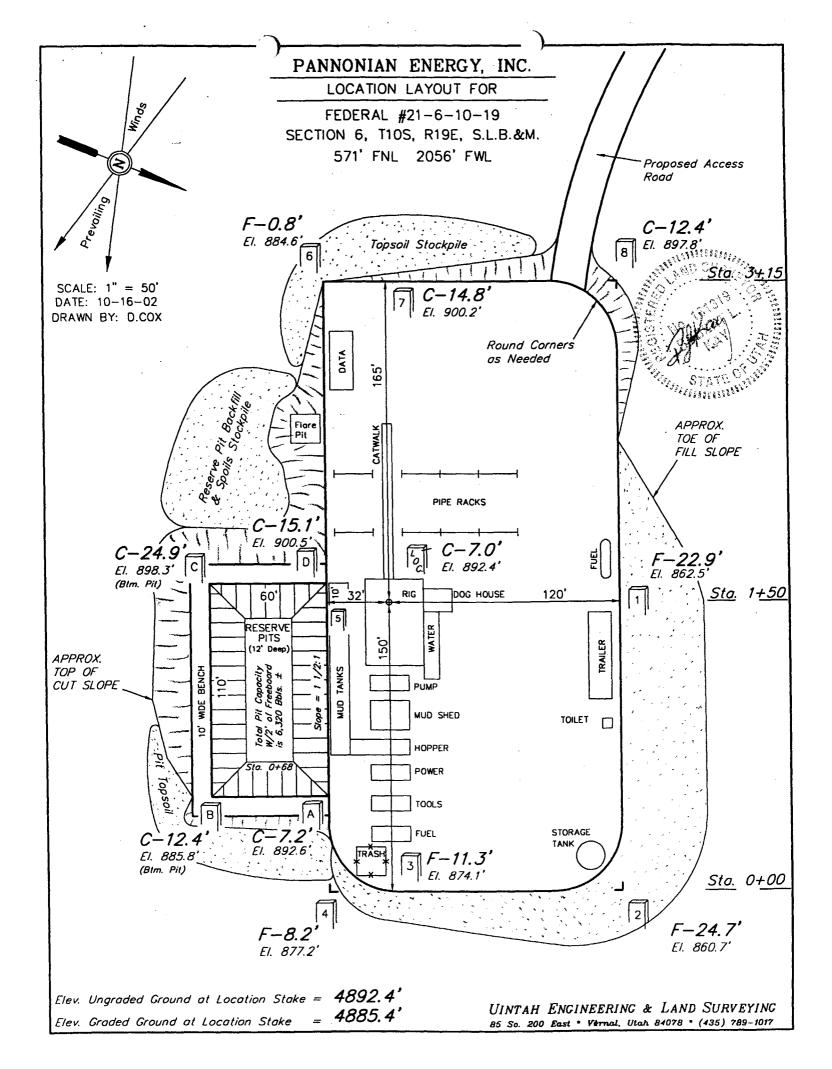
LOCATION PHOTOS

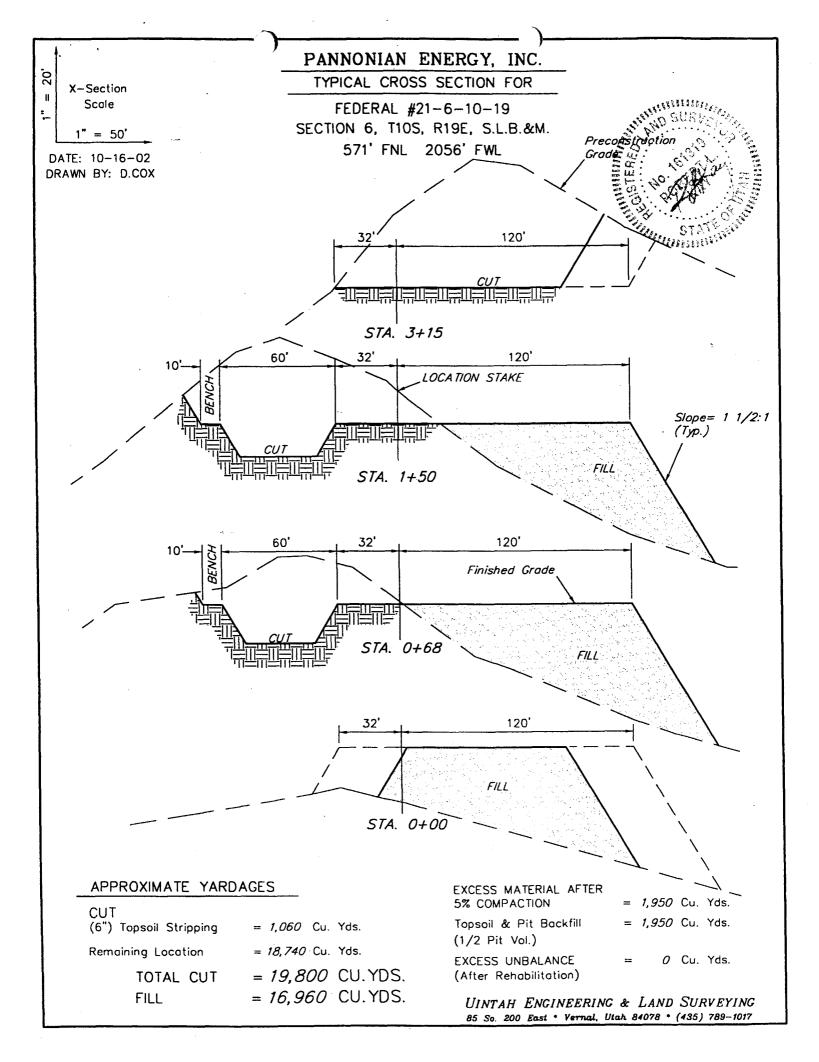
10 MONTH DAY

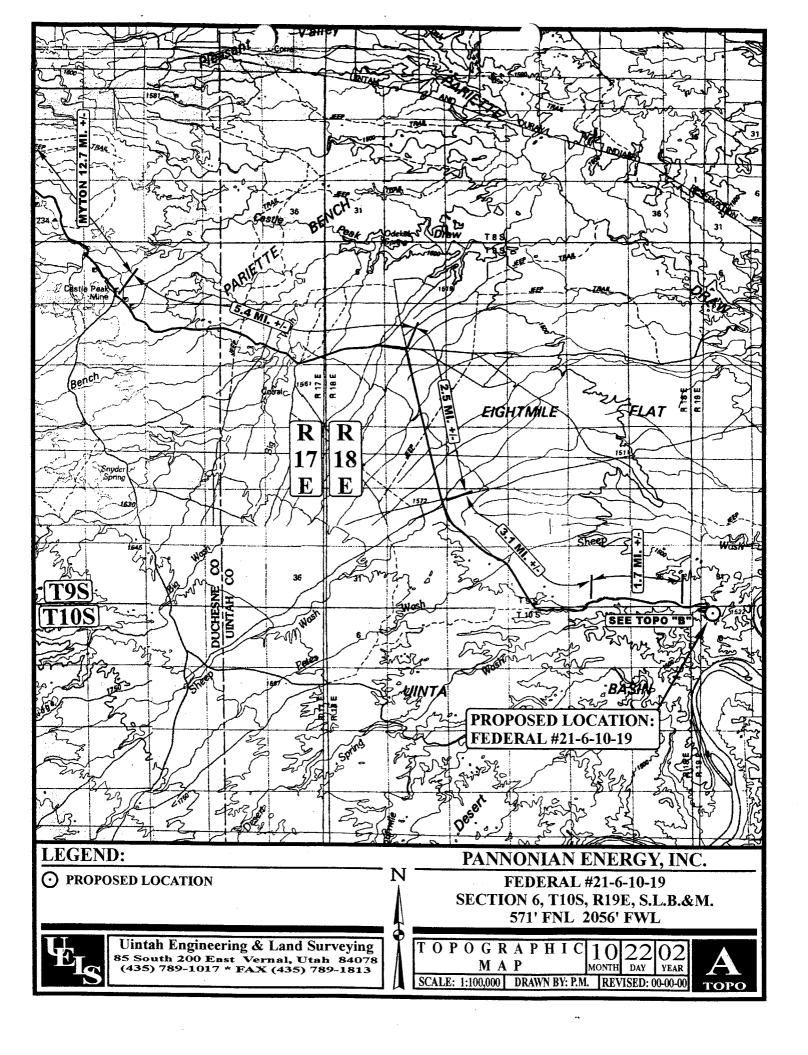
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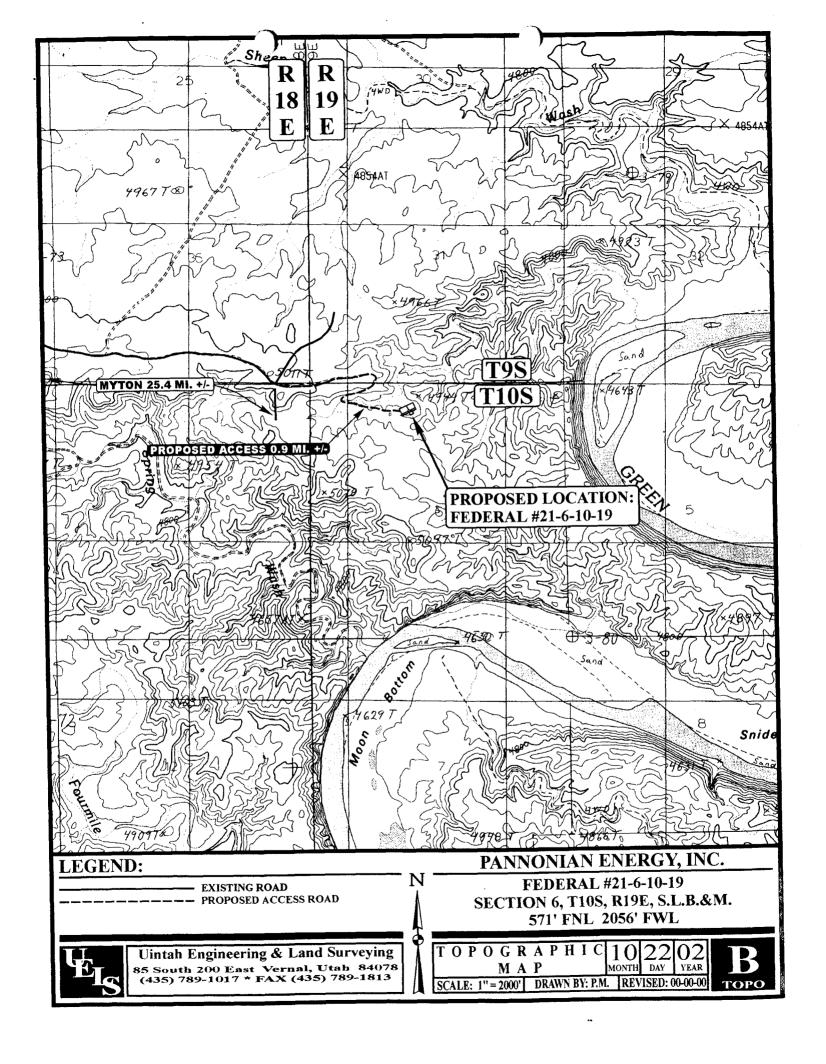
TAKEN BY: G.S. DRAWN BY: P.

DRAWN BY: P.M. | REVISED: 00-00-00



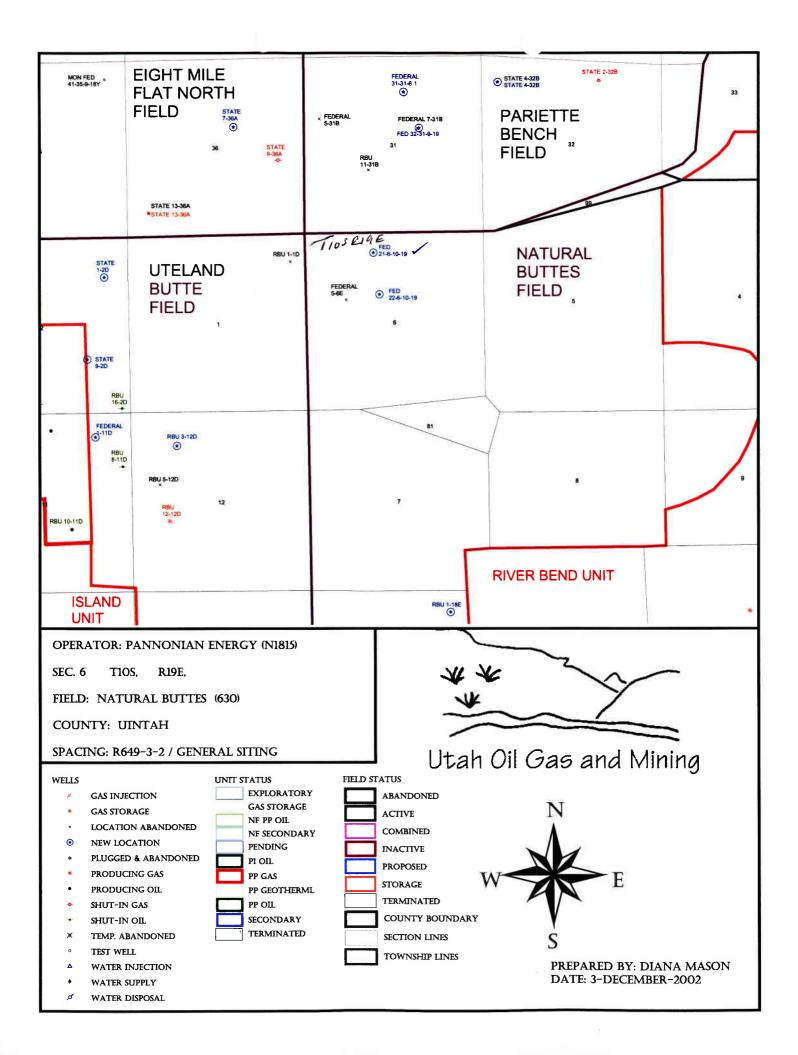






WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/02/2002	API NO. ASSIGNED: 43-047-34813
WELL NAME: FED 21-6-10-19 OPERATOR: PANNONIAN ENERGY INC (N1815) CONTACT: ED TROTTER/AGENT PROPOSED LOCATION: NENW 06 100S 190E SURFACE: 0571 FNL 2056 FWL BOTTOM: 0571 FNL 2056 FWL UINTAH NATURAL BUTTES (630) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-76490 SURFACE OWNER: 1 - Federal	PHONE NUMBER: 435-789-4120 INSPECT LOCATN BY: / / Tech Review Initials Date Engineering Geology Surface LATITUDE: 39.97850
PROPOSED FORMATION: MVRD	LONGITUDE: 109.82511
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. 41277759) Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) N RDCC Review (Y/N) (Date:) N Fee Surf Agreement (Y/N)	LOCATION AND SITING: R649-2-3. Unit R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Directional Drill
STIPULATIONS: 1- Fideral approval 2. Spacing Stip	





Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

December 9, 2002

Pannonian Energy Inc. 14 Inverness Drive East Englewood, CO 80112

Re:

Federal 21-6-10-19 Well, 571' FNL, 2056' FWL, NE NW, Sec. 6, T. 10 South,

R. 19 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34813.

Sincerely,

John R. Baza

Associate Director

pb

Enclosures

· cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office



Operator:	Pannonian Energy Inc.	
Well Name & Number	Federal 21-6-10-19	
API Number:	43-047-34813	
Lease:	UTU-76490	

Conditions of Approval

T. 10 South

R. 19 East

1. General

Location: NE NW

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Sec. 6

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES BUREAU OF LAND MANAGEMENT

CONFIDEN

FORM APPROVED OMB NO. 1004-0136

EER 1 0 2003

DEPARTMENT OF THE INTERIOR

5.	Lease	serial No.

At surface 571' FNL & 2056' FWL At proposed prod. Zone 14. Distance in miles and direction from nearest town or post office* 26.3 MILES SOUTHEAST OF MYTON 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. 19. Proposed depth to nearest well, drilling, completed, or applied for, on this lease, ft. SEC. 6, T1 NE/NW	Well No. 21-6-10- or Explorator	e and No.		
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Agent Approper by (Signafure) Name (Printed/Typed) Date	/_/_			
Thouaston Veginner 01/	7/10	003		
Title Assistant Field Manager Office Mineral Resources	21 2			
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease whi conduct operations thereon	21/2			

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Conditions of approval, if any, are attached.

COAs Page 1 of 6 Well No.: Federal 21-6-9-19

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator: <u>Pannonian Energy, Inc.</u>
Well Name & Number: Federal 21-6-9-19
API Number: 43-047-34813
Lease Number: U-76490
Location: NENW Sec. 6 T.98 R. 19E
Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

1. <u>DRILLING PROGRAM</u>

1. <u>Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected</u> to be Encountered

Report <u>ALL</u> water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

In addition to the cementing proposal for the surface casing, Class G neat cement shall be placed within the surface casing-conductor annulus from the surface down to a minimum of 200'

4. Mud Program and Circulating Medium

None

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

To evaluate cement quality across the usable water zone, a Cement Bond Log will be required from the surface casing shoe to the base of the conductor pipe.

Please submit to this office, in LAS format, an electronic copy of all logs run on this well This submission will replace the requirement for submittal of paper logs to the BLM.

6. <u>Notifications of Operations</u>

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

COAs Page 3 of 6 Well No.: Federal 21-6-9-19

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman

(435) 828-7874

Petroleum Engineer

Kirk Fleetwood

(435) 828-7875

Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt

waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

COAs Page 6 of 6 Well No.: Federal 21-6-9-19

CONDITIONS OF APPROVAL FOR THE SURFACE USE PROGRAM OF THE APPLICATION FOR PERMIT TO DRILL

- -During the construction of the access road the drainage issues will be handled as follows: A low water crossing shall be constructed at the first major drainage; a two foot culvert shall be installed on the next drainage; a low water crossing shall be installed on the third drainage, and a 3 foot culvert shall be installed on the fourth drainage crossing.
- -The reserve pit shall be lined first with a felt liner, then lined with a nylon reinforced plastic liner of a least 12 mils in thickness.
- -During the construction of the pipeline, the pipe shall either be welded on the location and dragged into place using a dozer or welded along side the road a boomed into place using the road as a working surface.
- -Prior to the construction of the access road and well location, a qualified wildlife biologist shall monitor the golden eagle nest located to the south west of the location to determine if it is active. If the nest is active mitigating measures shall be developed for the protection of the nest.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL. GAS AND MINING

п	_					
	6.	Lease	Designation	and	Serial	Number
						, sailinei
	l	UT	U-76490			

Abandonment New Construction Abandonment * Casing Repair Pull or Alter Casing Casing Repair Change of Plans Recompletion Change of Plans Conversion to Injection Shoot or Acidize Conversion to Injection Fracture Treat Vent or Flare Fracture Treat Multiple Completion Water Shut-Off Other Request 1 year extension of APD Date of Work Completion Paperoximate Date Work Will Start Report results of Multiple Completions and on WELL COMPLETION OR RECOMPLE * Must be accompanied by a cemer 3. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directions and measured and true vertical depths for all markers and zones pertinent to this work.)	: Utah
Type of Well Oil Well Name of Operator GASCO Energy, Inc./Pannonian Energy, Inc. Address of Operator 14 Inverness Drive East, Suite #H236, Englewood, CO 80112 Count QQ, Sec, T., R., M. : NE NW, Section 6, T10S - R19E CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, RE NOTICE OF INTENT (Submit in Duplicate) Abandonment New Construction Abandonment New Construction Abandonment Casing Repair Pull or Alter Casing Change of Plans Conversion to Injection Shoot or Acidize Conversion to Injection Fracture Treat Multiple Completion Water Shut-Off Other Request 1 year extension of APD Date of Work Completions and well. COMPLETION OR RECOMPLET **Must be accompanied by a cemer 3. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is dir locations and measured and true vertical depths for all markers and zones pertinent to this work.)	9. Well Name and Number Federal #21-6-10-19 10. API Well Number 43-047-34813 11. Field and Pool, or Wildcat Natural Buttes y: Uintah : Utah EPORT, OR OTHER DATA EQUENT REPORT t Original Form Only) New Construction Pull or Alter Casing Shoot or Acidize Vent or Flare
Other (specify) Other	Federal #21-6-10-19 10. API Well Number 43-047-34813 11. Field and Pool, or Wildcat Natural Buttes y: Uintah : Utah EPORT, OR OTHER DATA EQUENT REPORT t Original Form Only) New Construction Pull or Alter Casing Shoot or Acidize Vent or Flare
Address of Operator 14 Inverness Drive East, Suite #H236, Englewood, CO 80112 Footage : 571' FNL and 2056' FWL	43-047-34813 11. Field and Pool, or Wildcat Natural Buttes y: Uintah : Utah EPORT, OR OTHER DATA EQUENT REPORT t Original Form Only) New Construction Pull or Alter Casing Shoot or Acidize Vent or Flare
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14 Inverness Drive East, Suite #H236, Englewood, CO 80112 Location of Well Footage : 571' FNL and 2056' FWL Count QQ, Sec, T., R., M. : NE NW, Section 6, T10S - R19E CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, RE NOTICE OF INTENT (Submit in Duplicate) (Submit Abandonment New Construction Abandonment * Casing Repair Pull or Alter Casing Casing Repair Change of Plans Recompletion Change of Plans Conversion to Injection Shoot or Acidize Conversion to Injection Fracture Treat Vent or Flare Fracture Treat Multiple Completion Water Shut-Off Other Request 1 year extension of APD Date of Work Completion Pate Office on Well. COMPLETION OR RECOMPLE* Must be accompanied by a cemer	Natural Buttes y: Uintah : Utah EPORT, OR OTHER DATA EQUENT REPORT t Original Form Only) New Construction Pull or Alter Casing Shoot or Acidize Vent or Flare
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locations and measured and true vertical depths for all markers and zones pertinent to this work.)	ETION AND LOG form.
GASCO Energy, Inc./Pannonian Energy, Inc. requests a one year extension of the subject AF Approved by the	
Utah Division of Oil, Gas and Mining	Commence of the second of the
Date: 03-08-04 By:	COPY SENT TO CHEATOR Date: 3-11-09
4. I hereby certify that the foregoing is true and correct.	THO THE PROPERTY OF THE PARTY O
lame & Signature Sur Mulf Title GASCO Energy, Inc/Pr	And a contract of contract the contract that the contract the contract that the contract the contract that the contract

RECEIVED

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-34813

Well Name:	Federal #21-6-10-19	9				
Location:	571' FNL and 2056'				•	
	mit Issued to:	GASCO Ene 12/9/2002	ergy, Inc./F	'annonian E	nergy, Inc.	
Date Original	Permit Issued:	12/9/2002				
•	ed as owner with lega	•	•		nitted	
	verifies that the info			•		
approved appi	ication to drill, remai	ns valid and do	bes not req	uire revision.		
Following is a	checklist of some ite	ms related to t	the applicat	tion, which sh	ould be	
verified.						
If location on r	orivate land, has the	ownership cha	anged if so	has the surfa	ace	
agreement be		_ —	gou, oo	, , , , , , , , , , , , , , , , , , , ,		
	s been drilled in the value of siting requirements	•	•	ell which wou Yes⊡ No		
the spacing of	Siting requirements	ioi tino locatio		100[] 110		
	n any unit or other a	•	· —		t the	
permitting or c	peration of this prop	osed well?	Yes∐	No X		
Have there be	en any changes to th	ne access rout	e including	ownershi <u>p,</u> o	r right-	
of-way, which	could affect the prop	osed location	? Yes	□ No X		
Has the appro	ved source of water	for drilling cha	inged?	Yes No	X	
·			904.	, , , , , , , , , , , , , , , , , , ,	<u> </u>	
	en any physical char	-				
which would re evaluation?	equire a change in pl Yes No X	lans from what	t was discu	ssed at the oi	nsite	
ovaladilo!!!	100 NO E.					
Is bonding stil	l in place, which cove	ers this propos	sed well?	Yes X No		
					•	
Sun)mlh		ebruary 11,	2004		RECEIVED
Lisa Smith - P	ermitco Inc.		Date			FEB 1 3 2004
Title: Consult	ant for GASCO Ener	gy, Inc./Panno	onian Energ	gy, Inc.	VID .	OF OIL, GAS & MINING

007



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, UT 84078 (435) 781-4400 Fax: (435) 781-4410

http://www.blm.gov/utah/vernal

IN REPLY REFER TO: 3160 UT08300

March 5, 2004

Howard Shapre Pannonian Energy Inc. 14 Inverness Dr. E., Suite H236 Englewood, CO 80112

Re:

Notification of Expiration Well No. Federal 21-6-10-19 NENW, Sec. 6, T10S, R19E Uintah County, Utah Lease No. UTU-76490

Dear Mr. Sharpe:

The Application for Permit to Drill the above-referenced well was approved on January 31, 2003. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker

Legal Instruments Examiner

plie Walker

UDOGM CC;

DIV OF OIL, GAS & MINING



State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON Division Director

April 2, 2004

Ed Trotter Pannonian Energy, Inc. P.O. Box 1910 Vernal UT 84078

Re:

APD Rescinded - Federal 21-6-10-19, Sec. 6, T. 10S, R. 19E

Uintah County, Utah API No. 43-047-34813

Dear Mr. Trotter:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 9, 2002. On March 8, 2004, the Division granted a one-year APD extension. On March 15, 2004 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned. I contacted you at that time and you requested that the APD filed with the Division be rescinded.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 30, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Engineering Technician

cc: Well File

Bureau Of Land Management, Vernal



OPERATOR CHANGE WORKSHEET

008

ROUTING 1. GLH FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below ha				3/1/2002, 1/1/2003, 9/8/2003 TO: (New Operator):				
FROM: (Old Operator):				•	-			
N2110-Miller Dyer Resources, LLC				N2580-Miller,	•			
475 17th St, Suite 420					th St, Suite 4	20		
Denver, CO 80202				Denvei	r, CO 80202			
Phone: 1-(303) 292-0949				Phone: 1-(303)	292-0949			
CA	A No.			Unit:				
WELL(S)								
NAME	SEC	TWN	RNG	API NO	ENTITY	LEASE	WELL	WELL
					NO	TYPE	TYPE	STATUS
HATCH POINT 1	14	290S	210E	4303731658	11356	Federal	OW	S
CHEVRON FED 1	24	290S	230E	4303730005	975	Federal	OW	S
CHIMNEY ROCK 32-11	32	130S	210E	4304733445	12984	State	GW	TA
CHIMNEY ROCK 32-13	32	130S	210E	4304733447	12985	State	GW	P
CHIMNEY ROCK 32-14	32	130S	210E	4304733448	12983	State	GW _	P
DEL-RIO/ORION 28-1A	28	140S	200E	4304733595	13059	Federal	GW	TA
OIL CANYON 29-1A	29	140S	200E	4304730981	8118	Federal	GW	P
DEL-RIO/ORION 29-2A	29	140S	200E	4304732945	8118	Federal	OW	TA
DEL-RIO/ORION 29-3A	29	140S	200E	4304732946	12470	Federal	GW	TA
DEL-RIO/ORION 29-4A	29	140S	200E	4304733616	13060	Federal	GW	TA
DEL-RIO/ORION 29-5A	29	140S	200E	4304733617	13061	Federal	GW	P
DEL-RIO/ORION 29-6A	29	140S	200E	4304734102	13443	Federal	GW	P
DEL-RIO/ORION 29-7A	29	140S	200E	4304734103	13444	Federal	GW	P
DEL-RIO/ORION 29-8ADJP	29	140S	200E	4304734482		Federal	GW	LA
DEL-RIO/ORION 29-9ADJP	29	140S	200E	4304734483		Federal	GW	LA
DEL-RIO/ORION 29-10ADJP	29	140S	200E	4304734484		Federal	GW	LA
DEL-RIO/ORION 30-3A	30	140S	200E	4304710913	12395	Federal	OW	P
DEL-RIO 30-1	30	140S	200E	4304715764	8111	Federal	GW	TA
DEL-RIO/ORION 30-5A	30	140S	200E	4304720502	12654	Federal	GW	P
FLATROCK 30-2A	30	140S	200E	4304730641	8112	Federal	GW	P
FLATROCK 30-3A	30	140S	200E	4304730729	11181	Federal	ow	TA

Enter	date	after	each	listed	item	ic	complete	ьd

1.	(R649-8-10) Sundry of legal documentation was received from the FORWER operator on.	3/18/2002
2.	(R649-8-10) Sundry or legal documentation was received from the NEW operator on:	3/18/2002

2	3 The new company was checked on the Department of Commerce, Division of Corporation	na Datahasa ans	2/25/2004
4	the new company was checked on the Hengriment of Commerce Hivision of Cornoralio	ne ijaianase on:	2/2.3/2 UV

4.	Is the new operator registered in the State of Utah:	YES Business Number:	4778935-0161
5.	If NO, the operator was contacted contacted on:		

 Federal and Indian Lease Wells: The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on:
9. Federal and Indian Communization Agreements ("CA"): The BLM or BIA has approved the operator for all wells listed within a CA on: 10. Underground Injection Control ("UIC") Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A DATA ENTRY:
9. Federal and Indian Communization Agreements ("CA"): The BLM or BIA has approved the operator for all wells listed within a CA on: 10. Underground Injection Control ("UIC") The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A DATA ENTRY:
The BLM or BIA has approved the operator for all wells listed within a CA on:
Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A DATA ENTRY:
1. Changes entered in the Oil and Gas Database on: 4/14/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 4/14/2004
3. Bond information entered in RBDMS on: 4/14/2004
4. Fee wells attached to bond in RBDMS on: 4/14/2004
5. Injection Projects to new operator in RBDMS on:
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a
STATE WELL(S) BOND VERIFICATION: 1. State well(s) covered by Bond Number: Cash 10/1/03
FEDERAL WELL(S) BOND VERIFICATION:
1. Federal well(s) covered by Bond Number: UT 1245
INDIAN WELL(S) BOND VERIFICATION: 1. Indian well(s) covered by Bond Number: n/a
FEE WELL(S) BOND VERIFICATION:
1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number n/a
2. The FORMER operator has requested a release of liability from their bond on: The Division sent response by letter on: N/A
LEASE INTEREST OWNER NOTIFICATION: 3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A
COMMENTS:
Previous Operator Changes were to Miller, Dyer & Co, LLC; This change corrects DOGM's error

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL GAS AND MINING

	DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER:
SUNDRY	NOTICES AND REPORTS ON WELLS	8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to sterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL		8. WELL NAME and NUMBER:
2. NAME OF OPERATOR:		see attached list
Gasco Production Compa	ny <i>N2575</i>	B. AT NUMBER
3. ADDRESS OF OPERATOR: 114 Inverness Dr. East CIT	PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RAN	IGE, MERIDIAN:	STATE: UTAH
11. CHECK APP	ROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REP	ORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
	ACIDIZE ALTER CASING ALTER CASING FRACTURE TREAT NEW CONSTRUCTION OPERATOR CHANGE CHANGE TO PREVIOUS PLANS OPERATOR CHANGE PLUG AND ABANDON CHANGE WELL NAME PLUG BACK CHANGE WELL STATUS PRODUCTION (START/RESUME) COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE RECOMPLETE DOPERATIONS. Clearly show all pertinent details including dates, depths, voluchanged its name to Gasco Production Company effective February BLM Bond = UT/233 SITLA Bond = 4/27764	umes, etc.
- A.A.		RECEIVED APR 2 2 2004 DIV. OF OIL, GAS & MINING
NAME (PLEASE PRINT) Mark J. C	Choupy TITLE Land Manager TO DATE 4 20	204
(This space for State use only)	0	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer) Well name: API number: Location: Township Company that filed original application: Date original permit was issued: Company that permit was issued to: Check **Desired Action:** one Transfer pending (unapproved) Application for Permit to Drill to new operator The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application. Transfer approved Application for Permit to Drill to new operator The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified. No Yes If located on private land, has the ownership changed? If so, has the surface agreement been updated? Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location? Has the approved source of water for drilling changed? Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Is bonding still in place, which covers this proposed well? Bond No. Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required. RECEIVED Name (please pri Signature Date DIV. OF OIL, GAS & MINING Representing (company name)

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

Division of Oil, Gas and Mining OPERATOR CHANGE WORKSHEET

009

Change of Operator (Well Sold)

ROUTING
1. GLH
2. CDW
3. FILE

Designation of Agent/Operator

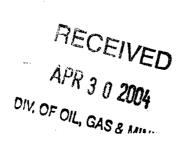
X Operator Name Change

Merger

The operator of the well(s) listed below has	changed,	effectiv	e:	and the state of the	s	/24/2004	and the second	the traffic experience that is a]
FROM: (Old Operator):	•			TO: (New O	perator):				7
N1815-Pannonian Energy, Inc.				N2575-Gasco	-	Company			
114 Inverness Dr E					verness Dr E	• •			1
Englewood, CO 80112					wood, CO 80				
Phone: 1-(303) 483-0044				Phone: 1-(303) 483-0044				
CA	No.			Unit:					7
WELL(S)									٦
NAME	SEC	TWN	RNG	API NO	ENTITY	LEASE	WELL	WELL	7
					NO	TYPE	TYPE	STATUS	1
GATE CYN 31-21-11-15	21	110S	150E	4301332391	V 13787		GW	DRL	T _C
GATE CYN 41-20-11-15	20			4301332475		State	GW	APD	┪
WILKIN RIDGE STATE 12-32-10-17	32			4301332447	14033		GW	DRL	T _C
STATE 24-16-9-19	16	4	190E	4304735588	1	State	GW	NEW	T _C
									1
FED 23-21-9-19	21	090S	190E	4304734199	1 13601	Federal	GW	P]
FED 11-21-9-19	21	090S	190E	4304734608		Federal	GW	APD]
FED 42-21-9-19	21	090S	190E	4304735405		Federal	GW	APD	C
FEDERAL 31-21-9-19	21	090S	190E	4304735606		Federal	GW	APD	С
LYTHAM FED 22-22-9-19	22	090S	190E	4304734607	1 3640	Federal	GW	P]
(FED 11-22-9-19	22	090S	190E	4304735404	,	Federal	GW	APD	Τс
FEDERAL 23-29 #1	29	090S	190E	4304734111	13441	Federal	GW	P	7
FED 42-29-9-19	29	090S	190E	4304734202	/ 13455	Federal	GW	P	1
FEDERAL 43-30-9-19	30	090S	190E	4304735343		Federal	GW	APD	ΤС
FED 32-31-9-19	31	090S	190E	4304734201	1 13641	Federal	GW	P]
FEDERAL 24-31-9-19	31	090S	190E	4304735623		Federal	GW	NEW	Τс
FEDERAL 41-31-9-19	31	090S	190E	4304735624		Federal	GW	APD	С
FEDERAL 21-6-10-19	06	100S	190E	4304734813		Federal	GW	LA	С
FED 22-30-10-18	30	100S	180E	4304734924	,	Federal	GW	APD	C
LAFKAS FED 1-3	03	110S	200E	4304731178	√ 1367	Federal	GW	S	
• WILLOW CREEK UNIT 2	05	110S	200E	4304731818	11604	Federal	GW	TA	
HILL FEDERAL 1-10	10	110S	200E	4304731026	/ 1368	Federal	GW	TA]
		<u>.l</u>					<u> </u>		_]
OPERATOR CHANGES DOCUME Enter date after each listed item is complete 1. (R649-8-10) Sundry or legal documentation	d on was rec	eived f				4/22/2004	_		
2. (R649-8-10) Sundry or legal documentation3. The new company was checked on the Department				-		4/22/2004 s Database	-	4/21/2004	
4. Is the new operator registered in the State	of Utah:		YES	Business Num	nber:	***	_		
5. If NO , the operator was contacted contacted	ed on:		***	4/21/2004					

		
7. Federal and Indian Lease Wells: The BLM and or or operator change for all wells listed on Federal or Indian lease		the merger, name change, LM in process BIA
. Federal and Indian Units:		
The BLM or BIA has approved the successor of unit opera	ntor for wells listed on:	in process
. Federal and Indian Communization Agreemen	nts ("CA"):	
The BLM or BIA has approved the operator for all wells li	•	n/a
O. Underground Injection Control ("UIC") Inject, for the enhanced/secondary recovery unit/project for		UIC Form 5, Transfer of Authority to sted on: N/A
DATA ENTRY:		
. Changes entered in the Oil and Gas Database on:	4/29/2004	
. Changes have been entered on the Monthly Operator Chan	nge Spread Sheet on:	4/29/2004
. Bond information entered in RBDMS on:	N/A	
. Fee wells attached to bond in RBDMS on:	N/A	
. Injection Projects to new operator in RBDMS on:	n/a	
. Receipt of Acceptance of Drilling Procedures for APD/New	on: 4/22	/2004
STATE WELL(S) BOND VERIFICATION:		
. State well(s) covered by Bond Number:	4127764	
FEDERAL WELL(S) BOND VERIFICATION:		
. Federal well(s) covered by Bond Number:	4127759	
NDIAN WELL(S) BOND VERIFICATION:		
. Indian well(s) covered by Bond Number:	4127765	
FEE WELL(S) BOND VERIFICATION:		
. (R649-3-1) The NEW operator of any fee well(s) listed cover	ered by Bond Number	<u>n/a</u>
. The FORMER operator has requested a release of liability fr The Division sent response by letter on:	om their bond on: N/A	I/A
LEASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been of their responsibility to notify all interest owners of this characteristics.		y a letter from the Division
POMMENTS.		
COMMENTS:		
his is a corporate name change within the same corporat	ion and it's subsidiaries	

WELL NAME	API#	LOCATION	COUNTY	Status
Federal 23-29 #1	43-047-34111	NESW, Sec. 29, T9S, R19E	Uintah	Р
Federal 42-29-9-19	43-047-34202	SENE, Sec. 29, T9S, R19E	<u>Uintah</u>	Р
Lytham Federal 22-22-9-19	43-047-34607	SENW, Sec. 22, T9S, R19E	Uintah	P
Federal 32-31-9-19	43-047-34201	SWNE, Sec. 31, T9S, R19E	Uintah	P
Alger Pass Unit #1	43-047-31824	SWNE, Sec. 2, T11S, R19E	Uintah	P
Gate Canyon State 31-21-11-15	43-013-32391	NWNE, Sec. 21, T11S, R15E	Duchesne	DRL
Wilkin Ridge State 12-32-10-17	43-013-32447	SWNW, Sec. 32, T10S, R17E	Duchesne	DRL
Willow Creek # 2	43-047-31818	SESW, Sec. 5, T11S, R20E	Uintah	TA
Hill Federal #1-10	43-047-31026	NESW, Sec. 10, T11S, R20E	Uintah	TA
Federal 23-21-9-19	43-047-34199	NESW, Sec. 21, T9S, R19E	Uintah	Р
Federal 43-30-9-19	43-047-35343	NESE, Sec. 30, T9S,R19E	Uintah	APD
Gate Canyon State 41-20-11-15	43-013-32475	NENE, Sec. 20, T11S,R15E	Duchesne	APD
Federal 11-21-9-19	43-047-34608	NWNW, Sec. 21, T9S,R19E	Uintah	APD
Federal 11-22-9-19	43-047-35404	NWNW, Sec. 22, T9S,R19E	Uintah	APD
Federal 22-30-10-18	43-047-34924	SENW, Sec. 30, T10S,R18E	Uintah	APD
State 24-16-9-19	43-047-35588	SESW, Sec. 16, T9S, R19E	Uintah	NEW
Lafkas Federal 1-3	43-0473-31178	SWSW, Sec. 3, T11S, R20E	Uintah	\$
Federal 21-6-9-19	43-047-34813	NENW, Sec. 6,T9S,R19E	Uintah	APD
Federal 42-21-9-19	43-047-35405	SENE, Sec. 21, T9S, R19E	Uintah	APD
Federal 31-21-9-19	43-047-35606	NWNE, Sec. 21, T9S, R19E	Uintah	APD
Federal 41-31-9-19	43-047-35624	NENE, Sec. 31, T9S, R19E	Uintah	APD
Federal 24-31-9-19	43-047-35623	SESW, Sec. 31, T9S, R19E	Uintah	NEW
Wilkin Ridge Federal 34-17-10-17	43-013-32560	SWSE, Sec. 17, T10S,R17E	Duchesne	APD





United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov

IN REPLY REFER TO: 3106 (UT-924)

May 18, 2004

Memorandum

To:

Vernal Field Office, Moab Field Office

From:

Chief, Branch of Minerals Adjudication

Subject:

Name Change Approval

Attached is an approved copy of the name change recognized by the Utah State Office. We have updated our records to reflect the name change from Pannonian Energy Inc., into Gasco Production Company is effective February 24, 2004.

/s/ Robert Lopez

Robert Lopez
Chief Branch of
Minerals Adjudication

Enclosure

1. State of Utah Certificate of Registration

cc:

MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225

State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114

Teresa Thompson

Joe Incardine

Connie Seare

RECEIVED

MAY 2 0 2004

DIV. OF OIL, GAS &

Nordstrom:05/18/2004



The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PANNONIAN ENERGY INC.", CHANGING ITS NAME FROM "PANNONIAN ENERGY INC." TO "GASCO PRODUCTION COMPANY", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF FEBRUARY, A.D. 2004, AT 12:43 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Darriet Smith Hindson

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2963993

DATE: 03-02-04

2899291 8100

040133641

	69096
03576	70847
01562B	70848
0125822	70849
013429A	70850
013766	70887
013820	70888
013821A	70889
0147541	71401
0147514A	72013
016869A	73165
017713	73425
017991	73664
018260A	73666
035316	73669
058148	74387
	74395
8344	74396
8346	74397
8648	74401
	74403
28212	74407
34350	74968
37246	74971
39223	75079
44089	75088
44090A	75231
60748A	75233
60748X	75232
62159	75235
64921	75236
65319	75514
65323	75515
65324	75670
65767	75672
65773	76031
65776	76032
65779	76033
65782	76034
65783	76057
65785	76256
66798	76262
66800	76478
67253	76489
68387	76490
68620	76760
69003	76761
69094	76809
69095	76810

Gasco Production

api	twsp	rng	sec	well_name	lease_num	stat	la_pa
4304734168	0908	190E	20	FED 24-20-9-19	UTU-75090	DRL	
4304734169	0908	190E	20	FED 44-20-9-19	UTU-75090	DRL	
4304734199	0908	190E	21	FED 23-21-9-19	UTU-78433	Р	
4304734608	0908	190E	21	FED 11-21-9-19	UTU-78433	DRL	
4304735405	0908	190E	21	FED 42-21-9-19	UTU-78433	APD	
4304735606	0908	190E	21	FEDERAL 31-21-9-19	UTU-78433	APD	
4304734607	0908	190E	22	LYTHAM FED 22-22-9-19	UTU-78433	Р	
4304735404	0908	190E	22	FED 11-22-9-19	UTU-78433	DRL	
4304733653	0908	190E	29	FEDERAL 31-29	UTU-76262	Р	
4304733750	0908	190E	29	FEDERAL 34-29	UTU-76034	Р	
4304734111	0908	190E	29	FEDERAL 23-29 #1	UTU-76262	Р	
4304734202	0908	190E	29	FED 42-29-9-19	UTU-76262	Р	
4304735343	0908	190E	30	FEDERAL 43-30-9-19	UTU-37246	DRL	
4304734201	0908	190E	31	FED 32-31-9-19	UTU-76489	Р	
4304735623	0908	190E	31	FEDERAL 24-31-9-19	UTU-01988OA	APD	
4304735624	0908	190E	31	FEDERAL 41-31-9-19	UTU-019880A	APD	
4304734286	100S	170E	12	PETES WASH 23-12 #1	UTU-77063	Р	
4301332560	100\$	170E	17	WILKIN RIDGE FED 34-17-10-17	UTU-043615	APD	
4304734551	1005	170E	24	FED 43-24-3 #1	UTU-74401	Р	
4304733983	1005	180E	07	FEDERAL 24-7 #1	UTU-68387	Р	
4304734539	1008	180E	18	FED 14-18-2 #1	UTU-74971	Р	
4304735808	1008	180E	22	FEDERAL 11-22-10-18	UTU-018260A	APD	
4304734924	1008	180E	30	FED 22-30-10-18	UTU-74408	APD	
4304734813	1008	190E	06	FED 21-6-10-19	UTU-76490	LA	3/30/2004
4304731178	1108	200E	03	LAFKAS FED 1-3	U-34350	S	
4304731818	1108	200E	05	WILLOW CREEK UNIT 2	U-39223	TA	
4304731026	1108	200E	10	HILL FEDERAL 1-10	U-44089	TA	